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Bikini 91

ROUTING AND TRANSMITTAL SLIP

Date

11/2/90

TO:

1. PASO

Initials

Date

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Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

Joe / Bill

This looks like a solid
Commitment for BFS. Interior
is sending you letters of intent
to continue both Bik & ENT
MOUS

FROM:

Harry B

Mail Stop

Phone No.

Harry Brown's Files, NV
Bikini (91)

MEMORANDUM OF AGREEMENT BETWEEN
THE U.S. DEPARTMENT OF THE INTERIOR AND
THE KILI/BIKINI/EJIT LOCAL GOVERNMENT COUNCIL
FOR THE REHABILITATION AND RESETTLEMENT OF BIKINI ATOLL

This Memorandum of Agreement (hereinafter referred to as "Agreement") is made by and between the U.S. Department of the Interior (hereinafter referred to as "Interior"), represented by the Office of Territorial and International Affairs, and the Kili/Bikini/Ejit Local Government Council (hereinafter referred to as "Council").

WITNESSETH:

WHEREAS, the Resettlement Trust Fund for the People of Bikini ("Bikini Resettlement Trust Fund") was established by Congress pursuant to Public Law Nos. 97-257 and 100-446; and

WHEREAS, the Bikini Resettlement Trust Fund is to be used for the rehabilitation and resettlement of Bikini Atoll; and

WHEREAS, the people of Bikini have submitted for Interior's approval a proposed budget for FY 1991, including payments for the withdrawal of private lands on Bikini and Eneu Islands for public purposes (such payments are referred to as "public land use payment"); and

WHEREAS, Interior desires to respect the views of the people of Bikini as to how the proceeds of the Bikini Resettlement Trust Fund are to be used, provided that such uses promote the statutory purposes of rehabilitation and resettlement of Bikini Atoll; and

WHEREAS, Interior has approved the proposed budget for the Bikini Resettlement Trust Fund for the period October 1, 1990 through September 30, 1991; and

WHEREAS, Interior and the Council wish to set forth the terms and conditions of that budget in order to promote stability in the budget process and insure that rehabilitation and resettlement efforts at Bikini Atoll proceed smoothly and without interruption;

NOW, THEREFORE, the parties hereto agree as follows:

1. Public Land Use Payments

1.1. Public land use payments shall be conditioned upon a showing satisfactory to Interior that rehabilitation and resettlement efforts are properly ongoing and progressing and that all lands included in a given fiscal year's budget are, in fact, being used for public purposes. If, at the end of a fiscal year, any such lands have not been so used, the line item for the next fiscal year's public land use payments shall be reduced by the pro rata value of the lands not so taken and used.

1.2. Public land use payments for any tract of land shall cease at such time as such tract reverts to private sector use.

1.3. The June 1989 Bikini Atoll Masterplan -- Conceptual Studies for Rehabilitation and Resettlement ("Masterplan"), prepared by Holmes & Narver, Inc., as modified from time to time, together with the Bikini Project Manager's quarterly reports, will be considered in each year's proposed budget line items for Bikini Atoll rehabilitation and resettlement costs, including public land use payments.

1.4. Annual public land use payments shall not rise by more

than the annual percentage increase in the U.S. Consumer Price Index, as published monthly by the U.S. Labor Department.

1.5. Beginning in fiscal year 1992 (October 1, 1991), and continuing until fiscal year 1996 (October 1, 1995), the Council, after determining the amount of each year's public land use payment pursuant to paragraphs 1.1-1.4, above, shall then reduce such year's public land use payment by \$445,000.

1.6. The proposed public land use payment of \$1,144,825 for lands set forth in Mr. Weisgall's letter of September 12, 1990 in the proposed budget of the Bikini Resettlement Trust Fund for fiscal year 1991, as attached hereto, is approved. Public land use payments up to \$1,800,000 per fiscal year are approved for fiscal years 1991-1996. Any request to Interior for an increase in public land use payments above the level approved for fiscal year 1991 must be accompanied by a description of such additional lands proposed to be used and by an adequate statement of purpose. The annual ceiling of \$1,800,000 shall be in fiscal year 1991 dollars prior to inflation adjustments pursuant to paragraph 1.4, above, and prior to the reduction formula set forth in paragraph 1.5, above.

1.7. It is explicitly understood by the parties that the rehabilitation and resettlement of Bikini Atoll may take considerably longer than five or even ten years, given the cost estimates in the Masterplan and the projected growth and income of the Bikini Resettlement Trust Fund, and Interior's approval for the next five years of public land use payments is not intended in any way to limit the duration of these or any other particular line

item costs in the budget.

1.8. It is understood that this Agreement is in the nature of a compromise between Interior and the Council regarding the scope, purpose, amount and propriety of public land use payments. This Agreement does not constitute an admission by either party regarding the claimed factual or legal bases for public land use payments. If, after the initial term of such payments, Interior and the Council are unable to reach a subsequent agreement for an additional term of public land use withdrawals and payments, neither Interior nor the Council shall be foreclosed from adopting any legal or factual position regarding the propriety or scope of such payments or from taking any decisions or actions that might otherwise be available to them under the terms of the Bikini Resettlement Trust Fund statutes or the trust instrument governing the Bikini Resettlement Trust Fund.

II. Other Budget Provisions

2.1. Except as provided in paragraph 2.2, below, Interior approval will be required for any line item that exceeds the budget amount during the course of a fiscal year.

2.2. Any proposed spending program within a specific line item may be reprogrammed by the Council plus or minus ten percent without the prior approval of Interior. The Council must inform Interior within 30 days of such reprogramming. A maximum of \$100,000 of the total year's budget may be thus reprogrammed by the Council in any given fiscal year.

2.3. Interior will meet with the Trustee of the Bikini Resettlement Trust Fund by October 31, 1990, to develop and

implement procedures under which the amounts sets forth in the budget categories may be paid by the Trustee directly without prior Interior approval.

III. General Provisions

3.1. This Agreement may be amended by the mutual consent of the parties.

3.2. This Agreement shall be governed and interpreted in accordance with the laws of the District of Columbia.

APPROVED:

Kili/Bikini/Ejit Local
Government

BY: Jul M. Willigall

APPROVED:

U.S. Department of the Interior
Office of Territorial and
International Affairs

BY: [Signature]
Assistant Secretary
Territorial and
International Affairs

DATE: October 5, 1990

Proposed Budget
Resettlement Trust Fund
October 1, 1990 - September 30, 1991

Accounting Fees	\$ 18,000
Auditing Fees	10,000
Administrative Overhead	40,000
Auto and Truck	7,000
Bank Charges	1,000
Benefit Payments	30,000
Bikini Projects	2,529,914

Agricultural/fertilizer program	\$ 300,000
Eneu field station rehabilitation	135,000
Construction pier	300,000
Warehouse	60,000
Dormitory "A"	212,592
Floating dock	56,882
Kitchen/dining facility	185,000
Dive shop/equipment building	109,440
Roads	125,000
Runway	100,000
Capital equipment	200,000
Project management	56,000
Environmental support	130,000
Support costs	350,000
Field supervision	130,000
Operations and maintenance	<u>80,000</u>
	\$2,529,914

Bikini Day	50,000
Consulting-Training	30,000
Department of Energy Support	250,000
Education	37,000
Generator Fuel	125,000
Health Insurance	195,000
Housing Allowance/Rent	19,000
Investment Management Fees	85,000
Kili/Ejit Projects	1,040,000

Power plant maintenance	\$ 225,000
Other Kili/Ejit improvements	<u>815,000</u>
	\$1,040,000

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Legal Fees and Expenses	432,000
Liaison Agent - Expenses	25,600
- Fee	44,400
Meetings	10,000
Payroll Taxes	33,720
Per Diems	210,000
Public Land Use Payments	1,144,825
Recreation	1,000
Scholarship Fund	210,000
Telephone and Fax	9,000
Training	15,000
Travel - Bikinians	240,000
- Legal	40,000
- Trustee	3,000
Trustee Fee	60,000
Wages	1,025,000

Clearing project	\$ 275,000
Councilmen	250,000
Firemen	75,000
Policemen	190,000
Teachers	63,000
Council Officer	125,000
Power plant	27,000
Others	<u>20,000</u>
	\$1,025,000

Totals

\$7,970,459

NEWS RELEASE

Office of Territorial and International Affairs
U.S. Department of the Interior
Washington, D.C. 20240



Contact: Larry L. Morgan, Director - Legislative & Public Affairs
202-208-4754 (O) 301-849-8267 (H)

FOR RELEASE -
October 30, 1990

CONGRESS APPROVES INTERIOR APPROPRIATIONS FOR FY 1991

The United States Congress adopted over the weekend, just prior to adjournment, the Department of the Interior's fiscal year 1991 budget which included funding for the Office of Territorial and International Affairs (OTIA). The \$402.9 million OTIA budget approved by a House/Senate Conference Committee represented a \$58.7 million increase over the amount requested by the Administration.

However, included in the final legislation adopted by the Congress was a provision which provided for a "0.524 per cent across the board reduction" for each program, project and activity included in the Department of the Interior appropriation. The reduction, which did not include funding authorized under the full faith and credit, totaled \$730,930.

Insular Area:	President Budget Request:	Amount adopted by Conference:	After .524 percent Reduction:
<u>American Samoa:</u>			
Operations....	\$ 21,000,000	22,000,000	21,884,720
Classroom buildings...	825,000	1,225,000	1,218,581
School buses..	175,000	250,000	248,690
Power facilities	-	3,500,000	3,481,660
<u>Guam</u>			
Hospital.....	\$ 2,500,000	2,500,000	2,486,900
<u>Northern Mariana Islands</u>			
Covenant.....	\$ 28,850,000	28,850,000	28,850,000
Saipan Control Tower.	-	2,500,000	2,486,900

Virgin Islands

Prison.....	\$ 3,000,000	3,000,000	2,984,280
St. Croix			
Air Terminal	-	2,200,000.	2,188,472
Health facilities..	-	15,300,000	15,219,828

Territorial Administration

OTIA.....	\$ 3,581,000	3,307,000	3,289,671
Technical Assistance..	6,385,000	6,700,000	6,664,892
GPA Loan.....	1,387,000	1,387,000	1,387,000
Maintenance Assistance Prg.	2,500,000	5,000,000	4,973,800
Drug Abuse Prevention....	1,000,000	1,000,000	994,760
Disaster Fund...	-	7,500,000	7,460,700

Trust Territory

TT Administration	800,000	800,000	795,808
Deficit Elimination....	10,500,000	8,000,000	7,598,080
Palau Operations.....	15,100,000	16,733,000	16,645,319
Damage claims (Kosrae).....	4,200,000	4,200,000	4,177,992
Capital Improvement projects:			
Palau Hospital	-	7,200,000	7,162,272
Palau prison	-	800,000	795,808
Palau Water	-	2,500,000	2,486,900
Palau classrooms	-	1,317,000	1,310,099
Palau - Koror school roof	-	650,000	646,594
Palau - Koror sewer system	-	1,800,000	1,790,568
Palau - Koror/ Babelthaup bridge	-		
Road repairs	-	1,200,000	1,193,712
CIP deficiencies:			
Ebeye Hospital	-	543,000	540,155
Majuro Water Catchment.....	-	800,000	795,808
Kosrae Dock.....	-	65,000	64,659
Palau - Angaur/Peleliu Water.....	-	75,000	74,607
Koror wastewater...	-	557,000	554,081

Pohnpei power.....	-	330,000	328,271
Kolonia Sewer system	-	510,000	507,328
Moen power generation	-	277,000	275,549
Laura Electric Project	-	350,000	348,166
<u>Compact of Free Association</u>			
Federal Services... \$ 7,700,000		7,700,000	7,659,650
Program grants.....10,000,000		10,000,000	10,000,000
Enewetak Food Prgm.....	-	1,100,000	1,094,230
Ebeye Causeway.....	-	2,000,000	1,989,230
College of Micronesia..	-	4,000,000	3,979,040
Total Appropriation: \$		179,726,000	178,995,070
Compact and other funds appropriated by Congress in previous years:		223,238,000	223,238,000
<u>Total OTIA budget:</u>			
FY 1991.....\$		402,964,000	402,233,070

- OTIA -

TERRITORIAL AND INTERNATIONAL AFFAIRS**Administration of Territories**

Amendment No. 74: Appropriates \$106,219,000 for administration of territories instead of \$104,469,000 as proposed by the House and \$109,794,000 as proposed by the Senate. The net decrease from the amount proposed by the Senate consists of an increase of \$2,200,000 for the Virgin Islands for the St. Croix airport, and decreases of \$275,000 for American Samoa (consisting of increases of \$400,000 for an additional classroom and \$75,000 for 2 school buses, and a decrease of \$750,000 for seavall improvements for Nuunuli); \$3,000,000 for the American Memorial Park in the Northern Marianas; and \$2,500,000 for the disaster assistance fund.

The managers have provided \$7,500,000 to establish the disaster assistance fund for all the insular areas. Among the needs to be considered for funding from this source are the unfunded hazard mitigation projects in the Virgin Islands as a result of Hurricane Hugo, which total \$4,500,000.

The increase of \$1,000,000 in operating funds for American Samoa is contingent on the American Samoa government establishing an autonomous or semi-autonomous hospital authority.

Amendment No. 75: Provides \$102,912,000 for technical assistance, maintenance assistance and grants to territorial governments instead of \$101,162,000 as proposed by the House and \$106,487,000 as proposed by the Senate. The net decrease from the amount proposed by the Senate consists of the increases and

decreases discussed under the previous amendment.

Amendment No. 76: Provides \$1,025,000 for a grant to the Close Up Foundation as proposed by the Senate instead of \$935,000 as proposed by the House.

Amendment No. 77: Provides that disaster hazard mitigation projects are not available for obligation until authorizing legislation is enacted as proposed by the Senate. The House had no such provision.

Trust Territory of the Pacific Islands

Amendment No. 78: Appropriates \$48,707,000 for the Trust Territory instead of \$51,450,000 as proposed by the House and \$42,987,000 as proposed by the Senate. The net decrease from the amount proposed by the House consists of decreases of \$1,600,000 for the Palau hospital, \$1,200,000 for the Koror sewer system, \$650,000 for Koror school roofing and \$493,000 for capital improvement program (CIP) deficiencies; and an increase of \$1,200,000 for road repairs in Palau. Within the funds for road repairs, up to \$400,000 may be used for contingency funds for the Koror-Babelthaup bridge, if needed. The amount provided for Koror school roofing will allow that project to be initiated in fiscal year 1991; the balance of the funds will be provided when a more complete estimate of the costs is provided. The funds provided for CIP deficiencies are to be distributed as indicated in the Senate report, except for Anguar-Peleliu water, which is \$75,000; Pohnpei power, which is \$330,000; and the addition of \$350,000 for the

Laura electrical project.

The Managers expect that the Department will recognize, in the case of Palau, that the local government needs flexibility in dealing with situations that arise in Palau requiring funding, and will ensure that such flexibility is provided to the maximum extent possible.

X The Office of Territorial and International Affairs is directed to provide the report on outstanding medical referral debts called for in the House report by no later than ~~4/15/91~~.

January 15, 19

Compact of Free Association

Amendment No. 79: Appropriates \$24,800,000 for the Compact of Free Association instead of \$28,800,000 as proposed by the House and \$24,500,000 as proposed by the Senate. The increase over the amount recommended by the Senate is \$300,000 for the Enewetak support program. The Managers request the Departments of the Interior and Energy, and their contractors, to work with the Enewetak Council and the Government of the Marshall Islands to devise a plan and timetable for turning over management of the support program to local government control, including responsibilities for monitoring program activities, as expeditiously as possible. A report on this plan should be submitted to the Appropriations Committees by April 15, 1991.